

Introduced by Committee on Budget and Fiscal Review

February 6, 2012

~~An act relating to the Budget Act of 2012.~~ *An act to amend Sections 15819.40, 15819.401, 15819.402, 15819.403, 15819.404, 15820.903, and 15820.913 of, to amend and renumber the heading of Chapter 3.12 (commencing with Section 15820.100) of Part 10b of Division 3 of Title 2 of, to add Chapter 3.13 (commencing with Section 15820.92) to Part 10b of Division 3 of Title 2 of, and to repeal Chapter 3.2.2 (commencing with Section 15819.41) of Part 10b of Division 3 of Title 2 of, the Government Code, and to amend Section 7050 of, to repeal Section 7021 of, and to repeal Chapter 9.8 (commencing with Section 6270) of Title 7 of Part 3 of, the Penal Code, relating to correctional facilities, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1022, as amended, Committee on Budget and Fiscal Review.
~~Budget Act of 2012.~~ *Correctional facilities.*

Existing law, the Public Safety and Offender Rehabilitation Services Act of 2007, authorizes certain revenue bond construction of prison facilities. Under phase I of the act, the Department of Corrections and Rehabilitation is authorized to design, construct, or renovate housing units, support buildings, and programming space in order to add up to 12,000 beds at facilities under its jurisdiction. The department is also authorized to acquire land, design, construct, and renovate reentry program facilities to provide housing for up to 6,000 inmates, as specified, and to design and construct new, or renovate existing,

buildings and any necessary ancillary improvements, at facilities under the jurisdiction of the department to provide medical, dental, and mental health treatment or housing for up to 6,000 inmates. The provisions of phase I of the act authorize the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance the acquisition, design, and construction pursuant to those provisions, and provides that the authorized costs for the acquisition, design, and construction shall not exceed \$1,800,000,000, \$975,000,000, and \$857,100,000, respectively, for the costs of the projects specified above. The provisions of phase I also authorize the board to borrow funds for project costs, including acquisition, design, construction, and construction-related costs, from the Pooled Money Investment Account, as specified.

This bill would instead authorize the department to design and construct new, or renovate existing, housing units, support buildings, programming space, and any necessary ancillary improvements in order to add capacity at facilities and to provide medical, dental, and mental health treatment or housing to inmates, and would specify the facilities and projects for which funds may be used. The bill would revise the maximum amount of costs authorized for the design and construction of the projects specified above. The bill would delete the provisions authorizing the department to acquire land, design, construct, and renovate reentry program facilities.

Existing law appropriates \$300,000,000 from the General Fund for capital outlay to be allocated to renovate, improve, or expand infrastructure capacity at existing prison facilities. Existing law authorizes the funds to be used for specified other purposes, including for study and acquisition of options to purchase real property for reentry facilities, as specified.

This bill would eliminate the authorization to use the funds for study and acquisition of options to purchase real property for reentry facilities and would authorize the funds to be used for the design and construction of improvements to medication distribution facilities at state prison facilities. The bill would also revise various reporting and accounting requirements with respect to the funds.

Under phase II of the act, the department is required to complete site assessments at facilities where it intends to construct or renovate additional housing units, support buildings, and programming space in order to add up to 4,000 beds at facilities under its jurisdiction. Those provisions authorize the department to design and construct new, or

renovate existing, buildings and any necessary ancillary improvements at facilities to provide medical, dental, and mental health treatment or housing for up to 2,000 inmates, and to acquire land, design, construct, and renovate reentry program facilities throughout the state that will house up to 10,000 inmates. Phase II of the act authorizes the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance those projects.

This bill would repeal phase II of the act.

Existing law authorizes the Department of Corrections and Rehabilitation, participating counties, and the State Public Works Board to acquire, design, and construct local jail facilities approved by the Corrections Standards Authority. Existing law authorizes the State Public Works Board to issue revenue bonds, notes, or bond anticipation notes in the amounts of \$617,119,000 and \$602,881,000 to finance the acquisition, design, and construction, and a reasonable construction reserve, of approved local jail facilities, as specified. The funds derived from those revenue bonds, notes, or bond anticipation notes are continuously appropriated for the purposes described above.

This bill would decrease the authorization for revenue bonds, notes, or bond anticipation notes from \$617,119,000 to \$445,771,000 and increase the authorization of \$602,881,000 to \$774,229,000. By increasing moneys deposited into a continuously appropriated fund, this bill would make an appropriation.

The bill would authorize the Board of State and Community Corrections, the State Public Works Board, and a participating county, as defined, to acquire, design, and construct an adult local criminal justice facility approved by the Board of State and Community Corrections, or to acquire a site or sites owned by, or subject to a lease option to purchase held by, a participating county. The bill would authorize the State Public Works Board to issue up to \$500,000,000 in revenue bonds, notes, or bond anticipate notes to finance the acquisition, design, and construction of approved adult local criminal justice facilities, and would continuously appropriate the funds for those purposes.

The bill would authorize the Department of Corrections and Rehabilitation to design and construct 3 level II dorm facilities adjacent to specified institutions, including Folsom State Prison, and would authorize the department to use specified funds previously appropriated to complete site suitability studies at those locations. The bill would authorize the State Public Works Board to issue up to \$810,000,000 in

revenue bonds, notes, or bond anticipation notes to finance design, construction, and construction-related costs for this project, and would continuously appropriate those funds for purposes relating to the project. The bill would also require the department, after completion of 3 Level II dorm facilities, to remove all inmates from, cease operations of, and close the California Rehabilitation Center in Norco, as specified.

The bill would also make nonsubstantive, technical changes.

The bill would appropriate the sum of \$1,000 from the General Fund to the Department of Corrections and Rehabilitation for administration.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2012.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15819.40 of the Government Code is
 2 amended to read:
 3 15819.40. (a) (1) (A) The Department of Corrections and
 4 Rehabilitation may design, *and* construct *new*, or renovate *existing*,
 5 housing units, support buildings, ~~and~~ programming space, *and any*
 6 *necessary ancillary improvements* in order to add ~~up to 12,000~~
 7 ~~beds~~ *capacity* at facilities under its jurisdiction. The department
 8 shall complete site assessments at facilities at which it intends to
 9 construct or renovate additional housing units, support buildings,
 10 ~~and~~ programming space, *or ancillary improvements*. The
 11 department may use the funding provided in Section 28 of Chapter
 12 7 of the Statutes of 2007 to complete these site assessments. ~~After~~
 13 ~~completing these site assessments, the department shall define the~~
 14 ~~scope and cost of each project pursuant to subdivision (d).~~
 15 (B) The authority contained in subparagraph (A) may be used
 16 to develop new beds including appropriate programmatic space
 17 pursuant to paragraph (2) and, together with the funds appropriated
 18 in Section 15819.403 for this purpose, shall constitute the scope
 19 of a single capital outlay project for purposes of calculating
 20 augmentations pursuant to Section 13332.11 or Section 13332.19
 21 as described in Section 15819.401.

1 (2) Any new beds constructed pursuant to this section shall be
2 supported by rehabilitative programming for inmates, including,
3 but not limited to, education, vocational programs, substance abuse
4 treatment programs, employment programs, and prerelease
5 planning.

6 ~~(3) The purpose of beds constructed pursuant to this section is~~
7 ~~to replace the temporary beds currently in use, and they are not~~
8 ~~intended to house additional inmates. For the purposes of this~~
9 ~~section, “temporary beds” shall be defined as those that are placed~~
10 ~~in gymnasiums, classrooms, hallways, or other public spaces that~~
11 ~~were not constructed for the purpose of housing inmates.~~

12 ~~(4) Notwithstanding paragraph (3), the~~

13 (3) *The* authority contained in this subdivision may be used to
14 develop beds and treatment space to serve inmates requiring mental
15 health or medical services. Any beds developed with a medical or
16 mental health purpose shall be supported with rehabilitative
17 programming, as defined in paragraph (2), that is consistent with
18 the medical or mental health services required by the inmates.

19 ~~(b) The Department of Corrections and Rehabilitation may~~
20 ~~acquire land, design, construct, and renovate reentry program~~
21 ~~facilities to provide housing for up to 6,000 inmates as authorized~~
22 ~~in Chapter 9.8 (commencing with Section 6271) of the Penal Code~~
23 ~~and, together with the funds appropriated in Section 15819.403~~
24 ~~for this purpose, this shall constitute the scope and cost of a single~~
25 ~~capital outlay project for purposes of calculating augmentations~~
26 ~~pursuant to Section 13332.11 or Section 13332.19 as described in~~
27 ~~Section 15819.401.~~

28 ~~(e)~~

29 (b) The Department of Corrections and Rehabilitation is
30 authorized to design and construct new, or renovate existing,
31 buildings and any necessary ancillary improvements, at facilities
32 under the jurisdiction of the department to provide medical, dental,
33 and mental health treatment or housing ~~for up to 6,000 inmates~~
34 and, together with the funds appropriated in Section 15819.403
35 for this purpose, this shall constitute the scope and cost of a single
36 capital outlay project for purposes of calculating augmentations
37 pursuant to Section 13332.11 or Section 13332.19 as described in
38 Section 15819.401.

39 ~~(d)~~

~~(c) (1) The reporting requirements set forth in Sections 7000 to 7003.5, inclusive, of the Penal Code, shall apply separately to each institution or facility. The scope and cost of the *each* project for each institution or facility *authorized by this chapter* shall be established individually by the State Public Works Board *board*. The amount of the total appropriations in Section 15819.403 that is necessary for each project shall be allocated to each institution or facility project. The appropriations may be allocated based on current estimates. These ~~initial~~ allocations may be adjusted commensurate to changes that occur during the progression of the projects. As allocations are made or adjusted, the anticipated deficit or savings shall be continuously tracked and reported. Once the total appropriation has been allocated, any augmentation necessary to fund an anticipated deficit shall be based on the total applicable capital outlay appropriation in Section 15819.403 and applied to each project allocation as necessary.~~

~~(2) For each institution, the Department of Corrections and Rehabilitation shall report to the Joint Legislative Budget Committee identifying those projects that the department proposes to undertake, and any support buildings, and programming space to support up to 12,000 new beds. For each institution, the department shall describe the scope, budget, schedule, number of beds by security level, along with approximate square footage of support buildings, and programming space to be constructed or renovated. If after providing these reports, the committee fails to take any action with respect to each report within 30 days after submittal, this inaction shall be deemed to be approval for purposes of this section, and the department is authorized to proceed to design, construct, or renovate housing units, support buildings, and programming space for each institution for which a report has been approved.~~

~~(3) The department shall notify the Joint Legislative Budget Committee 45 days prior to the submission of preliminary plans to the board for each project authorized in this section. If after providing these notifications, the committee fails to take any action with respect to each report within 45 days after submittal, this inaction shall be deemed to be approval for purposes of this section, and the department is authorized to design, construct, or renovate housing units, support buildings, and programming space for each institution for which a report has been approved.~~

~~(4) The Department of Corrections and Rehabilitation shall report quarterly to the Joint Legislative Budget Committee on the allocations from the appropriations in Section 15819.403 and the anticipated deficit or savings. Each reentry program facility authorized under subdivision (b) shall be considered to be a separate project for reporting purposes pursuant to Sections 7000 and 7003.5 of the Penal Code. Each medical, mental health, or dental building improvement authorized under subdivision (c) shall be considered to be a separate project, except that building improvements that have a related purpose and that are located at the same institution may be considered one project, for reporting purposes pursuant to Sections 7000 and 7003.5 of the Penal Code.~~

(2) Concurrent with the request to the board to establish each project in the Health Care Facility Improvement Program, the department shall report the associated scope, cost, and schedule information to the Joint Legislative Budget Committee.

(3) The reporting requirements set forth in Sections 7000 to 7003.5, inclusive, of the Penal Code shall apply separately to each project authorized pursuant to this chapter.

SEC. 2. Section 15819.401 of the Government Code is amended to read:

15819.401. The scope and costs of the projects authorized by this chapter shall be subject to approval and administrative oversight by the ~~State Public Works Board~~ board, including augmentations, pursuant to Section 13332.11 or Section 13332.19. For purposes of this chapter, the availability of an augmentation for each individual project allocation shall be calculated based on the total applicable capital outlay appropriation contained in Section 15819.403 and is not limited to 20 percent of the individual project allocation.

SEC. 3. Section 15819.402 of the Government Code is amended to read:

15819.402. For all projects authorized by this chapter, the board may borrow funds for project costs, including studies, ~~acquisition~~, design, construction, and construction-related costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313. Except for preliminary expenditures to develop the scope, budget, programming, and scheduling for a project, project funds expended prior to project approval by the board shall not be reimbursable from the proceeds of the bonds.

1 *SEC. 4. Section 15819.403 of the Government Code is amended*
2 *to read:*

3 15819.403. (a) The board may issue revenue bonds, negotiable
4 notes, or negotiable bond anticipation notes pursuant to this part
5 to finance the ~~acquisition~~, design, and construction, including,
6 without limitation, renovation, and the costs of interim financing
7 of the projects authorized in Section 15819.40. Authorized costs
8 for ~~acquisition~~, design, *and* construction, including, without
9 limitation, renovation, and construction-related costs for all projects
10 approved for financing by the board shall not exceed one billion
11 ~~eight hundred six million three hundred sixty-nine thousand~~ dollars
12 ~~(\$1,800,000,000) (\$1,006,369,000)~~ for subdivision (a) of Section
13 15819.40, ~~nine hundred seventy-five million dollars (\$975,000,000)~~
14 ~~for subdivision (b) of Section 15819.40, and eight hundred~~
15 ~~fifty-seven million one hundred thousand dollars (\$857,100,000)~~
16 *one billion forty-six million five hundred seventy-nine thousand*
17 *dollars (\$1,046,579,000)* for subdivision ~~(e)~~ (b) of Section
18 15819.40.

19 (b) Notwithstanding Section 13340, funds derived from interim
20 financing, revenue bonds, negotiable notes, or negotiable bond
21 anticipation notes issued pursuant to this chapter are hereby
22 continuously appropriated to the board on behalf of the Department
23 of Corrections and Rehabilitation for the purposes specified in
24 Section 15819.40.

25 (c) For the purposes of this section, “construction-related costs”
26 shall include mitigation costs of local government and school
27 districts and shall be made available pursuant to subdivisions (c)
28 and (d) of Section 7005.5 of the Penal Code. It is the intent of the
29 Legislature that any payments made for mitigation shall be made
30 in a timely manner.

31 (d) *Notwithstanding any other law, the financing authorized in*
32 *this section for projects approved pursuant to subdivision (a) of*
33 *Section 15819.40 shall only be used for the California Health Care*
34 *Facility, Stockton project and the conversion of the DeWitt Nelson*
35 *Youth Correctional Facility to a semiautonomous annex facility*
36 *to the California Health Care Facility. In addition, the financing*
37 *authorized in this section for projects approved pursuant to*
38 *subdivision (b) of Section 15819.40 shall only be used for the*
39 *following projects:*

1 (1) *The California Medical Facility, Vacaville: Intermediate*
2 *Care Facility.*

3 (2) *The California Institution for Women, Chino:*
4 *Acute/Intermediate Care Facility.*

5 (3) *The California State Prison Los Angeles County, Lancaster:*
6 *Enhanced Outpatient Program Treatment and Office Space.*

7 (4) *The California Men's Colony, San Luis Obispo: Mental*
8 *Health Crisis Beds Facility.*

9 (5) *The California Medical Facility, Vacaville: Enhanced*
10 *Outpatient Program Treatment and Office Space.*

11 (6) *The California State Prison, Sacramento: Psychiatric*
12 *Services Unit Treatment and Office Space.*

13 (7) *The California State Prison, Corcoran: Administrative*
14 *Segregation Unit/Enhanced Outpatient Program Treatment and*
15 *Office Space.*

16 (8) *The Salinas Valley State Prison, Soledad: Enhanced*
17 *Outpatient Program Treatment and Office Space.*

18 (9) *The Central California Women's Facility, Chowchilla:*
19 *Enhanced Outpatient Program Treatment and Office Space.*

20 (10) *All projects established by the board in the Health Care*
21 *Facility Improvement Program.*

22 SEC. 5. *Section 15819.404 of the Government Code is amended*
23 *to read:*

24 15819.404. Notwithstanding Section 15819.403, the amount
25 of revenue bonds, negotiable notes, or negotiable bond anticipation
26 notes to be sold may include the following:

27 (a) ~~The cost of acquisition, design, and construction, including,~~
28 without limitation, renovation, or construction management and
29 supervision, and other costs related to the ~~acquisition, design, and~~
30 construction, including, without limitation, renovation, of the
31 facilities, including augmentations.

32 (b) Sums necessary to pay interim financing.

33 (c) In addition to the amount authorized by Section 15819.403,
34 any additional amount as may be authorized by the board to
35 establish a reasonable construction reserve and to pay the costs of
36 financing, including the payment of interest ~~during acquisition or~~
37 ~~interest~~ prior to, during, and for a period of six months after
38 construction of the project, the cost of financing a debt-service
39 reserve fund, and the cost of issuance of permanent financing for
40 the project. This additional amount may include interest payable

1 on any interim loan for the facility from the General Fund or the
2 Pooled Money Investment Account pursuant to Sections 16312
3 and 16313.

4 *SEC. 6. Chapter 3.2.2 (commencing with Section 15819.41)*
5 *of Part 10b of Division 3 of Title 2 of the Government Code is*
6 *repealed.*

7 *SEC. 7. Section 15820.903 of the Government Code is amended*
8 *to read:*

9 15820.903. (a) The SPWB may issue up to ~~six hundred~~
10 ~~seventeen million one hundred nineteen thousand dollars~~
11 ~~(\$617,119,000)~~ *four hundred forty-five million seven hundred*
12 *seventy-one thousand dollars (\$445,771,000)* in revenue bonds,
13 notes, or bond anticipation notes, pursuant to Chapter 5 of Part
14 10b of Division 3 of Title 2 (commencing with Section 15830) to
15 finance the acquisition, design, or construction, and a reasonable
16 construction reserve, of approved local jail facilities described in
17 Section 15820.901, and any additional amount authorized under
18 Section 15849.6 to pay for the cost of financing.

19 (b) Proceeds from the revenue bonds, notes, or bond anticipation
20 notes may be utilized to reimburse a participating county for the
21 costs of acquisition, preliminary plans, working drawings, and
22 construction for approved projects.

23 (c) Notwithstanding Section 13340, funds derived pursuant to
24 this section and Section 15820.902 are continuously appropriated
25 for purposes of this chapter.

26 (d) This section shall become inoperative on June 30, 2017, and
27 no project may be commenced after that date; however, projects
28 that have already commenced by that date may be completed and
29 financed with bonds issued pursuant to this chapter.

30 *SEC. 8. Section 15820.913 of the Government Code is amended*
31 *to read:*

32 15820.913. (a) The SPWB may issue up to ~~six hundred two~~
33 ~~million eight hundred eighty-one thousand dollars (\$602,881,000)~~
34 *seven hundred seventy-four million two hundred twenty-nine*
35 *thousand dollars (\$774,229,000)* in revenue bonds, notes, or bond
36 anticipation notes, pursuant to Chapter 5 of Part 10b of Division
37 3 of Title 2 (commencing with Section 15830) to finance the
38 acquisition, design, or construction, and a reasonable construction
39 reserve, of approved local jail facilities described in Section

1 15820.911, and any additional amount authorized under Section
2 15849.6 to pay for the cost of financing.

3 (b) Proceeds from the revenue bonds, notes, or bond anticipation
4 notes may be used to reimburse a participating county for the costs
5 of acquisition, preliminary plans, working drawings, and
6 construction for approved projects.

7 (c) Notwithstanding Section 13340, funds derived pursuant to
8 this section and Section 15820.912 are continuously appropriated
9 for purposes of this chapter.

10 SEC. 9. Chapter 3.13 (commencing with Section 15820.92) is
11 added to Part 10b of Division 3 of Title 2 of the Government Code,
12 to read:

13
14 CHAPTER 3.13. FINANCING OF ADULT LOCAL CRIMINAL JUSTICE
15 FACILITIES

16
17 15820.92. For purposes of this chapter, “participating county”
18 means any county, or regional consortium of counties, within the
19 state that has been certified to the State Public Works Board (the
20 board) by the Board of State and Community Corrections (BSCC)
21 as having satisfied all of the requirements set forth in Section
22 15820.925 for financing an adult local criminal justice facility
23 pursuant to this chapter. For purposes of this chapter, an adult
24 local criminal justice facility may include any custodial housing,
25 reentry, program, mental health, or treatment space necessary to
26 manage the adult offender population consistent with the legislative
27 intent described in Sections 17.5 and 3450 of the Penal Code under
28 the jurisdiction of the sheriff or county department of corrections,
29 as may be applicable, to be further defined by the BSCC in duly
30 adopted regulations.

31 (a) The BSCC, a participating county, and the board are
32 authorized to acquire, design, and construct an adult local criminal
33 justice facility approved by the BSCC pursuant to Section
34 15820.925, or to acquire a site or sites owned by, or subject to a
35 lease or option to purchase held by, a participating county. For
36 the purposes of this chapter, acquisition shall include, but is not
37 limited to, acquisition of completed facilities through a build-to-suit
38 purchase. Facilities financed pursuant to this chapter may be
39 delivered through either a design-bid-build or a design-build
40 process. The ownership interest of a participating county in the

1 *site or sites for an adult local criminal justice facility shall be*
2 *determined by the board to be adequate for purposes of its*
3 *financing in order to be eligible under this chapter.*

4 *(b) Notwithstanding Section 14951, the participating county*
5 *may assign an inspector during the construction of the adult local*
6 *criminal justice facility.*

7 *(c) The BSCC, a participating county, and the board shall enter*
8 *into an agreement for each adult local criminal justice facility that*
9 *shall provide, at a minimum, performance expectations of the*
10 *parties related to the acquisition, design, and construction,*
11 *including, without limitation, renovation, of the adult local criminal*
12 *justice facility; guidelines and criteria for use and application of*
13 *the proceeds of revenue bonds, notes, or bond anticipation notes*
14 *issued by the board to pay for the cost of the approved adult local*
15 *criminal justice facility; and ongoing maintenance and staffing*
16 *responsibilities for the term of the financing.*

17 *(d) The agreement shall include a provision that the*
18 *participating county agrees to indemnify, defend, and hold*
19 *harmless the State of California for any and all claims and losses*
20 *arising out of the acquisition, design, and construction of the adult*
21 *local criminal justice facility. The agreement may also contain*
22 *additional terms and conditions that facilitate the financing by the*
23 *board.*

24 *(e) The scope and cost of the adult local criminal justice*
25 *facilities shall be subject to approval and administrative oversight*
26 *by the board.*

27 *(f) For purposes of compliance with the California*
28 *Environmental Quality Act (Division 13 (commencing with Section*
29 *21000) of the Public Resources Code), neither the board nor the*
30 *BSCC shall be deemed a lead or responsible agency and the*
31 *participating county shall be the lead agency.*

32 *15820.921. Upon a participating county's receipt of responsive*
33 *construction bids or design-build proposals, or a participating*
34 *county's notification to the board of its intent to exercise a*
35 *purchase option, the board and the BSCC may borrow funds for*
36 *project costs after the adult local criminal justice facility has been*
37 *certified pursuant to Section 15820.92 from the Pooled Money*
38 *Investment Account pursuant to Sections 16312 and 16313, or*
39 *from any other appropriate source. In the event any of the revenue*
40 *bonds, notes, or bond anticipation notes authorized by this chapter*

1 *are not sold, the BSCC shall commit a sufficient amount of its*
2 *support appropriation to repay any loans made for an approved*
3 *adult local criminal justice facility.*

4 *15820.922. (a) The board may issue up to five hundred million*
5 *dollars (\$500,000,000) in revenue bonds, notes, or bond*
6 *anticipation notes, pursuant to Chapter 5 (commencing with*
7 *Section 15830) to finance the acquisition, design, and construction,*
8 *including, without limitation, renovation, and a reasonable*
9 *construction reserve, of approved adult local criminal justice*
10 *facilities described in Section 15820.920, and any additional*
11 *amount authorized under Section 15849.6 to pay for the cost of*
12 *financing.*

13 *(b) Proceeds from the revenue bonds, notes, or bond anticipation*
14 *notes may be used to reimburse a participating county for the costs*
15 *of acquisition, design, and construction, including, without*
16 *limitation, renovation, for approved adult local criminal justice*
17 *facilities.*

18 *(c) Notwithstanding Section 13340, funds derived pursuant to*
19 *this section and Section 15820.921 are continuously appropriated*
20 *for purposes of this chapter.*

21 *15820.923. In support of this state financing, the Legislature*
22 *finds and declares all of the following:*

23 *(a) The county adult criminal justice system needs more housing,*
24 *program, and treatment space to manage the adult offender*
25 *population under its jurisdiction.*

26 *(b) Appropriate county adult criminal justice housing, program,*
27 *and treatment space will enhance public safety throughout the*
28 *state by providing increased access to appropriate programs or*
29 *treatment.*

30 *(c) By expanding county adult criminal justice capacity, this*
31 *financing will serve a critical state purpose by promoting public*
32 *safety.*

33 *(d) This purpose represents valuable consideration in exchange*
34 *for this state action.*

35 *15820.924. With the consent of the board, the BSCC and a*
36 *participating county are authorized to enter into leases or*
37 *subleases, as lessor or lessee, for any property or approved adult*
38 *local criminal justice facility and are further authorized to enter*
39 *into contracts or other agreements for the use, maintenance, and*
40 *operation of the adult local criminal justice facility in order to*

1 facilitate the financing authorized by this chapter. In those leases,
2 subleases, or other agreements, the participating county shall
3 agree to indemnify, defend and hold harmless the State of
4 California for any and all claims and losses accruing and resulting
5 from or arising out of the participating county's use and occupancy
6 of the adult local criminal justice facility.

7 15820.925. (a) The BSCC shall adhere to its duly adopted
8 regulations for the approval or disapproval of adult local criminal
9 justice facilities. The BSCC shall also consider cost-effectiveness
10 in determining approval or disapproval. No state moneys shall be
11 encumbered in contracts let by a participating county until one of
12 the following occur:

13 (1) Final architectural plans and specifications have been
14 approved by the BSCC, and subsequent construction bids have
15 been received.

16 (2) Documents prepared by a participating county pursuant to
17 paragraph (1) of subdivision (d) of Section 20133 of the Public
18 Contract Code have been approved by the BSCC, and subsequent
19 design-build proposals have been received pursuant to that section.

20 (3) The participating county has notified the board of its intent
21 to exercise an option to purchase the completed facility pursuant
22 to Section 15820.921.

23 (b) The review and approval of plans, specifications, or other
24 documents by the BSCC are for the purpose of ensuring the proper
25 administration of moneys and the determination of whether the
26 adult local criminal justice facility specifications comply with law
27 and regulation. The BSCC may require changes in construction
28 materials to enhance safety and security if materials proposed at
29 the time of final plans and specifications are not essential and
30 customary as used statewide for facilities of the same security
31 level. Participating counties are responsible for the acquisition,
32 design, construction, staffing, operation, repair, and maintenance
33 of the adult local criminal justice facility.

34 (c) The BSCC shall establish minimum standards, funding
35 schedules, and procedures, which shall take into consideration,
36 but not be limited to, the following:

37 (1) Certification by a participating county of control of the adult
38 local criminal justice facility site through either fee simple
39 ownership of the site or comparable long-term possession of the

1 *site, and right of access to the adult local criminal justice facility*
2 *sufficient to ensure undisturbed use and possession.*

3 *(2) Documentation of the need for the adult local criminal justice*
4 *facility.*

5 *(3) A written adult local criminal justice facility proposal.*

6 *(4) Submittal of a staffing plan for the adult local criminal*
7 *justice facility, including operational cost projections and*
8 *documentation that the adult local criminal justice facility will be*
9 *able to be safely staffed and operated within 90 days of completion,*
10 *as may be applicable.*

11 *(5) Submittal of architectural drawings, which shall be approved*
12 *by the BSCC for compliance with minimum adult detention facility*
13 *standards and that shall also be approved by the State Fire*
14 *Marshal for compliance with fire safety and life safety*
15 *requirements.*

16 *(6) Documentation evidencing compliance with the California*
17 *Environmental Quality Act.*

18 *(7) Provisions intended to maintain the tax-exempt status of the*
19 *bonds, notes, or bond anticipation notes issued by the board.*

20 *15820.926. (a) The participating county contribution for adult*
21 *local criminal justice facilities financed under this chapter shall*
22 *be a minimum of 10 percent of the total project costs. The BSCC*
23 *may reduce contribution requirements for participating counties*
24 *with a general population below 200,000 upon petition by a*
25 *participating county to the BSCC requesting a lower level of*
26 *contribution.*

27 *(b) The BSCC shall determine the funding criteria. Funding*
28 *consideration shall be given to counties that are seeking to replace*
29 *existing compacted, outdated, or unsafe housing capacity or are*
30 *seeking to renovate existing or build new facilities that provide*
31 *adequate space for the provision of treatment and rehabilitation*
32 *services, including mental health treatment. Funding preference*
33 *shall be given to counties that are most prepared to proceed*
34 *successfully with this financing in a timely manner. The*
35 *determination of preparedness to proceed shall include, but not*
36 *be limited to, counties providing documentation of adequate,*
37 *available matching funds authorized by the county board of*
38 *supervisors from a source or sources compatible with this financing*
39 *authority as determined by the State Public Works Board in its*
40 *sole discretion. A participating county may only add housing*

1 capacity using this financing authority if the requesting county
2 clearly documents an existing housing capacity deficiency. Any
3 county requesting to add housing capacity using this financing
4 authority shall be required to certify and covenant in writing that
5 the county is not and will not be leasing housing capacity to any
6 other public or private entity for a period of 10 years beyond the
7 completion date of the adult local criminal justice facility.

8 SEC. 10. The heading of Chapter 3.12 (commencing with
9 Section 15820.100) of Part 10b of Division 3 of Title 2 of the
10 Government Code, as added by Section 1 of Chapter 245 of the
11 Statutes of 2007, is amended and renumbered to read:

12
13 CHAPTER 3.12.3.14. FINANCING OF SAN QUENTIN STATE PRISON
14 CENTRAL HEALTH SERVICES FACILITIES
15

16 SEC. 11. Chapter 9.8 (commencing with Section 6270) of Title
17 7 of Part 3 of the Penal Code is repealed.

18 SEC. 12. Section 7021 of the Penal Code is repealed.

19 ~~7021. (a) The State Public Works Board may not release any~~
20 ~~funds provided for projects in Section 15819.41 of the Government~~
21 ~~Code or Section 6271.1, until a three-member panel, composed of~~
22 ~~the State Auditor, the Inspector General, and an appointee of the~~
23 ~~Judicial Council of California, verifies that the conditions outlined~~
24 ~~in paragraphs (1) to (13), inclusive, have been met. The Legislative~~
25 ~~Analyst shall provide information and input to the three-member~~
26 ~~panel as it considers whether the conditions have been met.~~

27 ~~(1) At least 4,000 beds authorized in subdivision (a) of Section~~
28 ~~15819.40 of the Government Code have been established by the~~
29 ~~State Public Works Board.~~

30 ~~(2) The first 4,000 beds authorized in subdivision (a) of Section~~
31 ~~15819.40 of the Government Code include space and will provide~~
32 ~~opportunities for rehabilitation services for inmates.~~

33 ~~(3) At least 2,000 of the beds authorized in subdivision (a) of~~
34 ~~Section 6271 are under construction or sited.~~

35 ~~(4) At least 2,000 substance abuse treatment slots established~~
36 ~~in Section 2694 have been established, with aftercare in the~~
37 ~~community.~~

38 ~~(5) Prison institutional drug treatment slots have averaged at~~
39 ~~least 75 percent participation over the previous six months.~~

1 ~~(6) The Department of Corrections and Rehabilitation has~~
2 ~~implemented an inmate assessment at reception centers, pursuant~~
3 ~~to Section 3020, and has used the assessment to assign inmates to~~
4 ~~rehabilitation programs for at least six consecutive months.~~

5 ~~(7) The Department of Corrections and Rehabilitation has~~
6 ~~completed the Inmate Treatment and Prison-to-Employment Plan,~~
7 ~~pursuant to Section 3105.~~

8 ~~(8) At least 300 parolees are being served in day treatment or~~
9 ~~crisis care services, pursuant to Section 3073.~~

10 ~~(9) The California Rehabilitation Oversight Board (C-ROB),~~
11 ~~created pursuant to Section 6140, has been in operation for at least~~
12 ~~one year, and is regularly reviewing the Department of Corrections~~
13 ~~and Rehabilitation's programs. This condition may be waived if~~
14 ~~the appointments to the C-ROB have not been made by the~~
15 ~~Legislature.~~

16 ~~(10) The Department of Corrections and Rehabilitation has~~
17 ~~implemented a plan to address management deficiencies, pursuant~~
18 ~~to Section 2061, and at least 75 percent of management positions~~
19 ~~have been filled for at least six months.~~

20 ~~(11) The Department of Corrections and Rehabilitation has~~
21 ~~increased full-time participation in inmate academic and vocation~~
22 ~~education programs by 10 percent from the levels of participation~~
23 ~~on April 1, 2007.~~

24 ~~(12) The Department of Corrections and Rehabilitation has~~
25 ~~developed and implemented a plan to obtain additional~~
26 ~~rehabilitation services, pursuant to Section 2062, and the vacancy~~
27 ~~rate for positions dedicated to rehabilitation and treatment services~~
28 ~~in prisons and parole offices is no greater than the statewide~~
29 ~~average vacancy rate for all state positions.~~

30 ~~(13) The Department of Corrections and Rehabilitation has~~
31 ~~reviewed existing parole procedures.~~

32 ~~(b) The provisions of Section 15819.41 of the Government Code~~
33 ~~and Section 6271.1 shall not authorize construction of facilities~~
34 ~~until the three-member panel specified in subdivision (a) has~~
35 ~~certified that the requirements of that subdivision have been met.~~
36 ~~Those sections shall become inoperative on January 1, 2014. Any~~
37 ~~projects already underway may continue, and funding for those~~
38 ~~projects shall remain authorized in order to allow for the issuance~~
39 ~~of bonds.~~

1 ~~(e) The requirements set forth in this section are contingent~~
2 ~~upon the Legislature making funds available for the rehabilitation~~
3 ~~programs set forth in the Public Safety and Offender Rehabilitation~~
4 ~~Services Act of 2007.~~

5 *SEC. 13. Section 7050 of the Penal Code is amended to read:*

6 7050. (a) (1) Section 28 of Chapter 7 of the Statutes of 2007
7 contains an appropriation of three hundred million dollars
8 (\$300,000,000) for capital outlay to be allocated to renovate,
9 improve, or expand infrastructure capacity at existing prison
10 facilities. The funds appropriated by that section may be used for
11 land acquisition, environmental services, architectural
12 programming, engineering assessments, schematic design,
13 preliminary plans, working drawings, and construction.

14 (2) These funds may also be used to address deficiencies related
15 to utility systems owned by local government entities and serving
16 state prison facilities subject to the provisions of Section 54999
17 of the Government Code. The department shall report on any funds
18 to be expended for this purpose to the Joint Legislative Budget
19 Committee. If the committee fails to take any action with respect
20 to each notification within 20 days after submittal, this inaction
21 shall be deemed to be approval for purposes of this section.

22 ~~(3) These funds may also be used for study and acquisition of~~
23 ~~options to purchase real property for reentry facilities authorized~~
24 ~~in Chapter 9.8 (commencing with Section 6270). Funds may be~~
25 ~~allocated with the approval of the Department of Finance for site~~
26 ~~investigation and real estate due diligence activities preliminary~~
27 ~~to the site selection and acquisition of interests in real property.~~
28 ~~In performing these activities, the Department of Corrections and~~
29 ~~Rehabilitation is authorized, upon approval of the State Public~~
30 ~~Works Board, to enter into agreements for the acquisition of an~~
31 ~~option to purchase real property.~~

32 ~~(4)~~

33 (3) These funds may also be used for the design and construction
34 of improvements to dental facilities at state prison facilities.

35 (4) *These funds may also be used for the design and construction*
36 ~~*of improvements to medication distribution facilities at state prison*~~
37 ~~*facilities.*~~

38 (5) This subdivision authorizes the scope and cost of a single
39 capital outlay project for purposes of calculating augmentations
40 pursuant to Section 13332.11 or 13332.19.

1 (b) The scope and costs of the projects described in subdivision
2 (a) of this section shall be subject to approval and administrative
3 oversight by the State Public Works Board, including
4 augmentations, pursuant to Section 13332.11 or 13332.19 of the
5 Government Code. The availability of an augmentation for each
6 individual project allocation shall be based on the total applicable
7 capital outlay appropriation contained in Section 28 of Chapter 7
8 of the Statutes of 2007 and is not limited to 20 percent of the
9 individual project allocation. These requirements shall be applied
10 separately to each institution. All of the necessary infrastructure
11 improvements at each institution may be treated as one project
12 such that there would be one infrastructure improvement project
13 at each institution. The scope and cost of each infrastructure
14 improvement project shall be established by the board individually.
15 The amount of the total appropriation in Section 28 of Chapter 7
16 of the Statutes of 2007 that is necessary for each infrastructure
17 improvement project shall be allocated by institution. The
18 appropriation may be allocated based on current estimates. These
19 initial allocations may be adjusted commensurate to changes that
20 occur during the progression of the projects. As allocations are
21 made or adjusted, the anticipated deficit or savings shall be
22 continuously tracked and reported. Once the total appropriation
23 has been allocated, any augmentation necessary to fund an
24 anticipated deficit shall be based on the total appropriation and
25 allocated to each project as necessary. ~~The Joint Legislative Budget~~
26 ~~Committee shall be notified 30 days prior to the establishment of~~
27 ~~scope, schedule, and cost for each project by the board. The~~
28 ~~Department of Corrections and Rehabilitation shall notify the Joint~~
29 ~~Legislative Budget Committee 45 days prior to the submission of~~
30 ~~preliminary plans to the board for each project. If, after providing~~
31 ~~these notifications to the Joint Legislative Budget Committee, the~~
32 ~~committee fails to take any action with respect to the notifications~~
33 ~~within the specified time periods, this inaction will be deemed to~~
34 ~~be approval for purposes of this section. The Department of~~
35 ~~Corrections and Rehabilitation shall report on the allocations from~~
36 ~~the appropriation in Section 28 of Chapter 7 of the Statutes of 2007~~
37 ~~and the anticipated deficit or savings to the Joint Legislative Budget~~
38 ~~Committee quarterly~~ *Concurrent with the request to the board to*
39 *establish each project authorized pursuant to this section, the*
40 *Department of Corrections and Rehabilitation shall report the*

1 *associated scope, cost, and schedule information to the Joint*
2 *Legislative Budget Committee.*

3 ~~(c) The scope and costs of the projects described in subdivision~~
4 ~~(a) authorized pursuant to this section shall be part of the~~
5 ~~Department of Corrections and Rehabilitation's Master Plan, as~~
6 ~~defined in Section 7000.~~

7 ~~(d) The reporting requirements set forth in Sections 7000 and~~
8 ~~to 7003.5, inclusive, shall apply separately to each project~~
9 ~~constructed or renovated authorized pursuant to this section. For~~
10 ~~all purposes other than calculating augmentations pursuant to~~
11 ~~Section 13332.11 or 13332.19 each improvement authorized under~~
12 ~~subdivision (a) is considered a separate project.~~

13 *SEC. 14. (a) (1) The Department of Corrections and*
14 *Rehabilitation is authorized to design and construct three Level*
15 *II dorm facilities adjacent to one or more of the following*
16 *institutions: Folsom State Prison; California State Prison,*
17 *Sacramento; California Medical Facility; California State Prison,*
18 *Solano; Mule Creek State Prison; California Institution for Men;*
19 *and Richard J. Donovan Correctional Facility. The Department*
20 *of Corrections and Rehabilitation may use funding appropriated*
21 *in Section 28 of Chapter 7 of the Statutes of 2007 to complete site*
22 *suitability studies at these locations.*

23 *(2) The Department of Corrections and Rehabilitation shall*
24 *notify the State Public Works Board of its proposed siting locations*
25 *and the State Public Works Board shall authorize the final siting*
26 *of the facilities authorized in this section. Concurrent with this*
27 *notification to the State Public Works Board, the Department of*
28 *Corrections and Rehabilitation shall report to the Joint Legislative*
29 *Budget Committee the scope and cost information associated with*
30 *the proposed final siting of the facilities.*

31 *(3) The Department of Corrections and Rehabilitation is*
32 *authorized to use design-build project delivery for the project*
33 *authorized in this section pursuant to the provisions of Section*
34 *14661.1 of the Government Code. The project authorized in this*
35 *section shall constitute a single prison facility for purposes of the*
36 *limitation in Section 14661.1 of the Government Code. The*
37 *provisions of Section 13332.19 of the Government Code shall apply*
38 *to this project.*

39 *(4) It is the intent of the Legislature that these facilities will be*
40 *designed to provide flexible housing for various inmate*

1 *subpopulations, including, but not limited to, those with disabilities,*
2 *intermediate medical needs, or mental health treatment needs.*

3 *(5) The State Public Works Board shall not be deemed a lead*
4 *or responsible agency for purposes of the California Environmental*
5 *Quality Act (Division 13 (commencing with Section 21000) of the*
6 *Public Resources Code) for any activities under the State Building*
7 *Construction Act of 1955 (Part 10b (commencing with Section*
8 *15800) of Division 3 of Title 2 of the Government Code). This*
9 *paragraph does not exempt the Department of Corrections and*
10 *Rehabilitation from the requirements of the California*
11 *Environmental Quality Act. This paragraph is declaratory of*
12 *existing law.*

13 *(b) The State Public Works Board may borrow funds for project*
14 *costs from the Pooled Money Investment Account pursuant to*
15 *Sections 16312 and 16313 of the Government Code. In the event*
16 *any of the revenue bonds, notes, or bond anticipation notes*
17 *authorized by this section are not sold, the Department of*
18 *Corrections and Rehabilitation shall commit a sufficient amount*
19 *of its support appropriation to repay any loans made for the project*
20 *authorized in this section.*

21 *(c) (1) The State Public Works Board may issue up to eight*
22 *hundred ten million dollars (\$810,000,000) in revenue bonds,*
23 *notes, or bond anticipation notes, pursuant to Chapter 5*
24 *(commencing with Section 15830) of Part 10b of Division 3 of*
25 *Title 2 of the Government Code to finance the design, construction,*
26 *and construction-related costs for the project authorized in this*
27 *section.*

28 *(2) The Department of Corrections and Rehabilitation and the*
29 *State Public Works Board are authorized and directed to execute*
30 *and deliver any and all leases, contracts, agreements, or other*
31 *documents necessary or advisable to consummate the sale of bonds*
32 *or otherwise effectuate the financing for the project authorized in*
33 *this section.*

34 *(3) Notwithstanding Section 13340 of the Government Code,*
35 *funds derived pursuant to this section are hereby continuously*
36 *appropriated for the purposes of this section.*

37 *SEC. 15. The Department of Corrections and Rehabilitation*
38 *shall remove all inmates from, cease operations of, and close the*
39 *California Rehabilitation Center located in Norco, California, no*
40 *later than either December 31, 2016, or six months after*

1 *construction of the three Level II dorm facilities authorized in*
2 *Section 14 of this act, whichever is earlier.*

3 *SEC. 16. The sum of one thousand dollars (\$1,000) is hereby*
4 *appropriated from the General Fund to the Department of*
5 *Corrections and Rehabilitation for administration.*

6 *SEC. 17. This act is a bill providing for appropriations related*
7 *to the Budget Bill within the meaning of subdivision (e) of Section*
8 *12 of Article IV of the California Constitution, has been identified*
9 *as related to the budget in the Budget Bill, and shall take effect*
10 *immediately.*

11 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
12 ~~changes relating to the Budget Act of 2012.~~